

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 620

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Stuart Ingle

AN ACT

RELATING TO PUBLIC RETIREMENT; CHANGING STATE LEGISLATOR
RETIREMENT COVERAGE; PROVIDING FOR RE-EMPLOYMENT OF RETIRED
PUBLIC EMPLOYEES BY AFFILIATED PUBLIC EMPLOYERS WITHOUT
SUSPENSION OF RETIREMENT BENEFITS; AUTHORIZING FORMER
LEGISLATORS TO PURCHASE GROUP HEALTH INSURANCE COVERAGE
PURSUANT TO THE RETIREE HEALTH CARE ACT; CREATING A FUND;
AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7C-4 NMSA 1978 (being Laws 1990,
Chapter 6, Section 4, as amended) is amended to read:

"10-7C-4. DEFINITIONS. -- As used in the Retiree Health
Care Act:

A. "active employee" means an employee of a public
institution or any other public employer participating in

. 144047. 3

underscored material = new
[bracketed material] = del ete

underscored material = new
[bracketed material] = del ete

1 either the Educational Retirement Act, the Public Employees
2 Retirement Act, the Judicial Retirement Act, the Magistrate
3 Retirement Act or the Public Employees Retirement Reciprocity
4 Act or an employee of an independent public employer;

5 B. "authority" means the retiree health care
6 authority created pursuant to the Retiree Health Care Act;

7 C. "basic plan of benefits" means only those
8 coverages generally associated with a medical plan of benefits;

9 D. "board" means the board of the retiree health
10 care authority;

11 E. "current retiree" means an eligible retiree who
12 is receiving a disability or normal retirement benefit under
13 the Educational Retirement Act, the Public Employees Retirement
14 Act, the Judicial Retirement Act, the Magistrate Retirement
15 Act, the Public Employees Retirement Reciprocity Act or the
16 retirement program of an independent public employer on or
17 before July 1, 1990;

18 F. "eligible dependent" means a person obtaining
19 retiree health care coverage based upon that person's
20 relationship to an eligible retiree as follows:

21 (1) a spouse;

22 (2) an unmarried child under the age of
23 nineteen who is:

24 (a) a natural child;

25 (b) a legally adopted child;

underscored material = new
[bracketed material] = delete

1 (c) a stepchild living in the same
2 household who is primarily dependent on the eligible retiree
3 for maintenance and support;

4 (d) a child for whom the eligible
5 retiree is the legal guardian and who is primarily dependent on
6 the eligible retiree for maintenance and support, as long as
7 evidence of the guardianship is evidenced in a court order or
8 decree; or

9 (e) a foster child living in the same
10 household;

11 (3) a child described in Subparagraphs (a)
12 through (e) of Paragraph (2) of this subsection who is between
13 the ages of nineteen and twenty-five and is a full-time student
14 at an accredited educational institution; provided that
15 "full-time student" shall be a student enrolled in and taking
16 twelve or more semester hours or its equivalent contact hours
17 in primary, secondary, undergraduate or vocational school or a
18 student enrolled in and taking nine or more semester hours or
19 its equivalent contact hours in graduate school;

20 (4) a dependent child over nineteen who is
21 wholly dependent on the eligible retiree for maintenance and
22 support and who is incapable of self-sustaining employment by
23 reason of mental retardation or physical handicap; provided
24 that proof of incapacity and dependency shall be provided
25 within thirty-one days after the child reaches the limiting age

. 144047. 3

underscored material = new
[bracketed material] = delete

1 and at such times thereafter as may be required by the board;

2 (5) a surviving spouse defined as follows:

3 (a) "surviving spouse" means the spouse
4 to whom a retiree was married at the time of death; or

5 (b) "surviving spouse" means the spouse
6 to whom a deceased vested active employee was married at the
7 time of death; or

8 (6) a surviving dependent child who is the
9 dependent child of a deceased eligible retiree whose other
10 parent is also deceased;

11 G. "eligible employer" means either:

12 (1) a "retirement system employer", which
13 means an institution of higher education, a school district or
14 other entity participating in the public school insurance
15 authority, a state agency, state court, magistrate court,
16 municipality, county or public entity, each of which is
17 affiliated under or covered by the Educational Retirement Act,
18 the Public Employees Retirement Act, the Judicial Retirement
19 Act, the Magistrate Retirement Act or the Public Employees
20 Retirement Reciprocity Act; or

21 (2) an "independent public employer", which
22 means a municipality, county or public entity that is not a
23 retirement system employer;

24 H. "eligible retiree" means:

25 (1) a "nonsalaried eligible participating

underscored material = new
[bracketed material] = delete

1 entity governing authority member" who is a person who is not a
2 retiree and who:

3 (a) has served without salary as a
4 member of the governing authority of an employer eligible to
5 participate in the benefits of the Retiree Health Care Act and
6 is certified to be such by the executive director of the public
7 school insurance authority;

8 (b) has maintained group health
9 insurance coverage through that member's governing authority if
10 such group health insurance coverage was available and offered
11 to the member during the member's service as a member of the
12 governing authority; and

13 (c) was participating in the group
14 health insurance program under the Retiree Health Care Act
15 prior to July 1, 1993; or

16 (d) ~~[if a person eligible under~~
17 ~~Subparagraph (a) of this paragraph applies before August 1,~~
18 ~~1993 to the authority to participate in the program, then he~~
19 ~~will be eligible to participate]~~ notwithstanding the provisions
20 of Subparagraphs (b) and (c) of this paragraph, is eligible
21 under Subparagraph (a) of this paragraph and has applied before
22 August 1, 1993 to the authority to participate in the program;

23 (2) a "salaried eligible participating entity
24 governing authority member" who is a person who is not a
25 retiree and who:

. 144047. 3

underscored material = new
[bracketed material] = delete

1 (a) has served with salary as a member
2 of the governing authority of an employer eligible to
3 participate in the benefits of the Retiree Health Care Act;

4 (b) has maintained group health
5 insurance through that member's governing authority, if such
6 group health insurance was available and offered to the member
7 during the member's service as a member of the governing
8 authority; and

9 (c) was participating in the group
10 health insurance program under the Retiree Health Care Act
11 prior to July 1, 1993; or

12 (d) ~~[if a person eligible under~~
13 ~~Subparagraph (a) of this paragraph applies before August 1,~~
14 ~~1993 to the authority to participate in the program, then he~~
15 ~~will be eligible to participate]~~ notwithstanding the provisions
16 of Subparagraphs (b) and (c) of this paragraph, is eligible
17 under Subparagraph (a) of this paragraph and has applied before
18 August 1, 1993 to the authority to participate in the program;

19 [or]

20 (3) an "eligible participating retiree" who is
21 a person who:

22 (a) falls within the definition of a
23 retiree, has made contributions to the fund for at least five
24 years prior to retirement and whose eligible employer during
25 that period of time made contributions as a participant in the

underscored material = new
[bracketed material] = delete

1 Retiree Health Care Act on the person's behalf, unless that
2 person retires on or before July 1, 1995, in which event the
3 time period required for employee and employer contributions
4 shall become the period of time between July 1, 1990 and the
5 date of retirement, and who is certified to be a retiree by the
6 educational retirement director, the executive secretary of the
7 public employees retirement board or the governing authority of
8 an independent public employer;

9 (b) falls within the definition of a
10 retiree, retired prior to July 1, 1990 and is certified to be a
11 retiree by the educational retirement director, the executive
12 secretary of the public employees retirement association or the
13 governing authority [or] of an independent public employer; but
14 this paragraph does not include a retiree who was an employee
15 of an eligible employer who exercised the option not to be a
16 participating employer pursuant to the Retiree Health Care Act
17 and did not after January 1, 1993 elect to become a
18 participating employer; unless the retiree: 1) retired on or
19 before June 30, 1990; and 2) at the time of retirement did not
20 have a retirement health plan or retirement health insurance
21 coverage available from his employer; or

22 (c) is a retiree who: 1) was at the
23 time of retirement an employee of an eligible employer who
24 exercised the option not to be a participating employer
25 pursuant to the Retiree Health Care Act, but which eligible

. 144047. 3

underscored material = new
[bracketed material] = delete

1 employer subsequently elected after January 1, 1993 to become a
2 participating employer; 2) has made contributions to the fund
3 for at least five years prior to retirement and whose eligible
4 employer during that period of time made contributions as a
5 participant in the Retiree Health Care Act on the person's
6 behalf, unless that person retires less than five years after
7 the date participation begins, in which event the time period
8 required for employee and employer contributions shall become
9 the period of time between the date participation begins and
10 the date of retirement; and 3) is certified to be a retiree by
11 the educational retirement director, the executive ~~[secretary]~~
12 director of the public employees retirement board or the
13 governing authority of an independent public employer; or
14 (4) a "legislative member", which means a
15 person who is not a retiree and who served as a member of the
16 New Mexico legislature for at least four years, but is no
17 longer a member of the legislature and is certified to be such
18 by the legislative council service;

19 I. "fund" means the retiree health care fund;

20 J. "group health insurance" means coverage that
21 includes but is not limited to life insurance, accidental death
22 and dismemberment, hospital care and benefits, surgical care
23 and treatment, medical care and treatment, dental care, eye
24 care, obstetrical benefits, prescribed drugs, medicines and
25 prosthetic devices, medicare supplement, medicare carveout,

. 144047. 3

underscored material = new
[bracketed material] = delete

1 medicare coordination and other benefits, supplies and services
2 through the vehicles of indemnity coverages, health maintenance
3 organizations, preferred provider organizations and other
4 health care delivery systems as provided by the Retiree Health
5 Care Act and other coverages considered by the board to be
6 advisable;

7 K. "ineligible dependents" include [~~but are not~~
8 ~~limited to~~]:

9 (1) those dependents created by common law
10 relationships;

11 (2) dependents while in active military
12 service;

13 (3) parents, aunts, uncles, brothers, sisters,
14 grandchildren and other family members left in the care of an
15 eligible retiree without evidence of legal guardianship; and

16 (4) anyone not specifically referred to as an
17 eligible dependent pursuant to the rules and regulations
18 adopted by the board;

19 L. "participating employee" means an employee of a
20 participating employer, which employee has not been [~~excluded~~
21 expelled] from participation in the Retiree Health Care Act
22 pursuant to Section 10-7C-10 NMSA 1978;

23 M "participating employer" means an eligible
24 employer who has satisfied the conditions for participating in
25 the benefits of the Retiree Health Care Act, including the

underscored material = new
[bracketed material] = delete

1 requirements of Subsection M of Section 10-7C-7 NMSA 1978 and
2 Subsection D or E [~~or~~G] of Section 10-7C-9 NMSA 1978, as
3 applicable;

4 N. "public entity" means a flood control authority,
5 economic development district, council of governments, regional
6 housing authority, conservancy district or other special
7 district or special purpose government; and

8 O. "retiree" means a person who:

9 (1) is receiving:

10 (a) a disability or normal retirement
11 benefit or survivor's benefit [~~under~~] pursuant to the
12 Educational Retirement Act;

13 (b) a disability or normal retirement
14 benefit or survivor's benefit pursuant to the Public Employees
15 Retirement Act, the Judicial Retirement Act, the Magistrate
16 Retirement Act or the Public Employees Retirement Reciprocity
17 Act; or

18 (c) a disability or normal retirement
19 benefit or survivor's benefit pursuant to the retirement
20 program of an independent public employer to which that
21 employer has made periodic contributions; or

22 (2) is not receiving a survivor's benefit but
23 is the eligible dependent of a person who received a disability
24 or normal retirement benefit pursuant to the Educational
25 Retirement Act, the Public Employees Retirement Act, the

. 144047. 3

underscored material = new
[bracketed material] = delete

1 Judicial Retirement Act, the Magistrate Retirement Act or the
2 Public Employees Retirement Reciprocity Act. "

3 Section 2. Section 10-7C-13 NMSA 1978 (being Laws 1990,
4 Chapter 6, Section 13, as amended) is amended to read:

5 "10-7C-13. PAYMENT OF PREMIUMS ON HEALTH CARE
6 PLANS. --

7 A. Each eligible retiree shall pay a monthly
8 premium for the basic plan in an amount set by the board not to
9 exceed fifty dollars (\$50.00) plus the amount, if any, of the
10 compounded annual increases authorized by the board, which
11 increases shall not exceed nine percent until fiscal year 2008
12 after which the increases shall not exceed the authority's
13 group health care trend. In addition to the monthly premium
14 for the basic plan, each current retiree and nonsalaried
15 eligible participating entity governing authority member who
16 becomes an eligible retiree shall also pay monthly an
17 additional participation fee set by the board. That fee shall
18 be five dollars (\$5.00) plus the amount, if any, of the
19 compounded annual increases authorized by the board, which
20 increases shall not exceed nine percent until fiscal year 2008
21 after which the increases shall not exceed the authority's
22 group health care trend. The additional monthly participation
23 fee paid by the current retirees and nonsalaried eligible
24 participating entity governing authority members who become
25 eligible retirees shall be a consideration and a condition for

. 144047. 3

underscored material = new
[bracketed material] = delete

1 being permitted to participate in the Retiree Health Care Act.
2 A legislative member shall pay a monthly premium for any
3 selected plan equal to one-twelfth of the annual cost of the
4 claims and administrative costs of that plan allocated to the
5 member by the board. In addition, a legislative member shall
6 pay the additional monthly participation fee set by the board
7 pursuant to this subsection as a consideration and condition
8 for participation in the Retiree Health Care Act. Eligible
9 dependents shall pay monthly premiums in amounts that with
10 other money appropriated to the fund shall cover the cost of
11 the basic plan for the eligible dependents.

12 B. Eligible retirees and eligible dependents shall
13 pay monthly premiums to cover the cost of the optional plans
14 that they elect to receive, and the board shall adopt rules for
15 the collection of additional premiums from eligible retirees
16 and eligible dependents participating in the optional plans.
17 An eligible retiree or eligible dependent may authorize the
18 authority in writing to deduct the amount of these premiums
19 from the monthly annuity payments, if applicable.

20 C. The participating employers, active employees
21 and retirees are responsible for the financial viability of the
22 program. The overall financial viability is not an additional
23 financial obligation of the state.

24 D. For eligible retirees who become eligible for
25 participation on or after July 1, 2001, the board may determine

underscored material = new
[bracketed material] = delete

1 monthly premiums based on the retirees' years of credited
2 service with participating employers. "

3 Section 3. Section 10-11-8 NMSA 1978 (being Laws 1987,
4 Chapter 253, Section 8, as amended) is amended to read:

5 "10-11-8. NORMAL RETIREMENT-- ~~[SUSPENSION]~~ RETURN TO
6 EMPLOYMENT-- BENEFITS CONTINUED-- EMPLOYER CONTRIBUTIONS. --

7 A. A member may retire upon fulfilling the
8 following requirements:

9 (1) a written application for normal
10 retirement, in the form prescribed by the association, is filed
11 with the association prior to the selected date of retirement;

12 (2) employment is terminated with all
13 employers covered by any state system or the educational
14 retirement system prior to the selected date of retirement;

15 (3) the member selects an effective date of
16 retirement that is the first day of a calendar month; and

17 (4) the member meets the age and service
18 credit requirement for normal retirement specified in the
19 coverage plan applicable to the member.

20 B. The amount of normal retirement pension is
21 determined in accordance with the coverage plan applicable to
22 the member.

23 ~~[C. If a member retires and is subsequently~~
24 ~~employed by any affiliated public employer, the retired~~
25 ~~member's pension will be suspended effective the first day of~~

underscored material = new
[bracketed material] = delete

1 ~~the month following the month in which the previously retired~~
2 ~~member earns one hundred percent or more of the amount that~~
3 ~~causes a decrease or suspension of an old age benefit under the~~
4 ~~federal social security program or fifteen thousand dollars~~
5 ~~(\$15,000), whichever is less. When the pension is suspended,~~
6 ~~the following conditions shall apply:~~

7 ~~(1) the retired member who is subsequently~~
8 ~~employed by an affiliated public employer shall become a~~
9 ~~member. The previously retired member and the subsequent~~
10 ~~affiliated public employer shall make the required employee and~~
11 ~~employer contributions, and the previously retired member shall~~
12 ~~accrue service credit for the period of subsequent employment;~~
13 ~~and~~

14 ~~(2) when a previously retired member~~
15 ~~terminates the subsequent employment with an affiliated public~~
16 ~~employer, he shall retire according to the provisions of the~~
17 ~~Public Employees Retirement Act, subject to the following~~
18 ~~conditions:~~

19 ~~(a) payment of the pension shall resume~~
20 ~~in accordance with the provisions of Subsection A of this~~
21 ~~section;~~

22 ~~(b) unless the previously retired member~~
23 ~~accrued at least three years of service credit on account of~~
24 ~~the subsequent employment, the recalculation of pension shall:~~

25 ~~1) employ the form of payment selected by the previously~~

underscored material = new
[bracketed material] = delete

1 ~~retired member at the time of the first retirement; and 2) use~~
2 ~~the provisions of the coverage plan applicable to the member on~~
3 ~~the date of the first retirement; and~~

4 ~~(c) the recalculated pension shall not~~
5 ~~be less than the amount of the suspended pension.~~

6 ~~D. The provisions of Subsection C of this section~~
7 ~~shall not apply to a retired member who is appointed chief of~~
8 ~~police of an affiliated public employer, other than of the~~
9 ~~affiliated public employer from which retired, or who is~~
10 ~~appointed undersheriff if the retired member files an~~
11 ~~irrevocable exemption from membership with the association~~
12 ~~within thirty days of appointment. For purposes of this~~
13 ~~subsection, each sheriff's office shall be limited to one~~
14 ~~undersheriff. The irrevocable exemption shall be for the chief~~
15 ~~of police's or the undersheriff's term of office. Filing of an~~
16 ~~irrevocable exemption shall irrevocably bar the retired member~~
17 ~~from acquiring service credit for the period of exemption from~~
18 ~~membership.~~

19 ~~E. The provisions of Subsection C of this section~~
20 ~~shall not apply to any retired member who is subsequently~~
21 ~~employed by an employer who is not an affiliated public~~
22 ~~employer.~~

23 ~~F. The provisions of Subsection C of this section~~
24 ~~shall not apply to a retired member who is elected to serve a~~
25 ~~term as an elected official if the retired member files an~~

underscored material = new
[bracketed material] = delete

1 ~~irrevocable exemption from membership with the association~~
2 ~~within thirty days of taking office. Filing of an irrevocable~~
3 ~~exemption shall irrevocably bar the retired member from~~
4 ~~acquiring service credit for the period of exemption from~~
5 ~~membership.]~~

6 C. A retired member may be subsequently employed by
7 an affiliated public employer if the following conditions
8 apply:

9 (1) the member has not been employed as an
10 employee of an affiliated public employer for at least ninety
11 consecutive days from the date of retirement to the
12 commencement of employment or re-employment with an affiliated
13 public employer. If the retired member returns to employment
14 without first completing ninety consecutive days of retirement,
15 the retired member shall remove himself from retirement;

16 (2) a retired member who returns to employment
17 shall be required to make contributions to the fund as
18 specified in the Public Employees Retirement Act. The
19 affiliated public employer's contributions as specified in that
20 act or as adjusted for full actuarial cost at the determination
21 of the association shall be paid to the fund; and

22 (3) a retired member who returns to employment
23 during retirement pursuant to this subsection is entitled to
24 receive retirement benefits but is not entitled to acquire
25 service credit or to acquire or purchase service credit in the

. 144047. 3

1 future for the period of the retired member's re-employment
2 with an affiliated public employer.

3 ~~[G-]~~ D. The pension of a member who has three or
4 more years of service credit under each of two or more coverage
5 plans shall be determined in accordance with the coverage plan
6 that produces the highest pension. The pension of a member who
7 has service credit under two or more coverage plans but who has
8 three or more years of service credit under only one of those
9 coverage plans shall be determined in accordance with the
10 coverage plan in which the member has three or more years of
11 service credit. If the service credit is acquired under two
12 different coverage plans applied to the same affiliated public
13 employer as a consequence of an election by the members,
14 adoption by the affiliated public employer or a change in the
15 law that results in the application of a coverage plan with a
16 greater pension, the greater pension shall be paid a member
17 retiring from the affiliated public employer under which the
18 change in coverage plan took place regardless of the amount of
19 service credit under the coverage plan producing the greater
20 pension, provided the member has three or more years of
21 continuous employment with that affiliated public employer
22 immediately preceding or immediately preceding and immediately
23 following the date the coverage plan changed. The provisions
24 of each coverage plan for the purpose of this subsection shall
25 be those in effect at the time the member ceased to be covered

. 144047. 3

underscored material = new
[bracketed material] = delete

1 by the coverage plan. "Service credit", for the purposes of
2 this subsection, shall be only personal service rendered an
3 affiliated public employer and credited to the member under the
4 provisions of Subsection A of Section 10-11-4 NMSA 1978.

5 Service credited under any other provision of the Public
6 Employees Retirement Act shall not be used to satisfy the
7 three-year service credit requirement of this subsection. "

8 Section 4. Section 10-11-39 NMSA 1978 (being Laws 1987,
9 Chapter 253, Section 39) is amended to read:

10 "10-11-39. STATE LEGISLATOR MEMBER COVERAGE PLAN 1--
11 APPLICABILITY.--State legislator member coverage plan 1 is
12 applicable to state legislators and lieutenant governors who
13 served terms of office that ended on or before December 31,
14 2002. "

15 Section 5. Section 10-11-41 NMSA 1978 (being Laws 1987,
16 Chapter 253, Section 41) is amended to read:

17 "10-11-41. STATE LEGISLATOR MEMBER COVERAGE PLAN 1--
18 AMOUNT OF PENSION--FORM OF PAYMENT A. --

19 A. Prior to January 1, 2004, under state legislator
20 member coverage plan 1, the annual amount of pension under form
21 of payment A is equal to two hundred fifty dollars (\$250)
22 multiplied by credited service as a legislator or lieutenant
23 governor, if the member served as legislator or lieutenant
24 governor after December 31, 1959 and his service ended on or
25 before December 31, 2002.

. 144047. 3

underscored material = new
[bracketed material] = delete

1 B. Under state legislator member coverage plan 1,
2 the annual amount of pension under form of payment A is equal
3 to forty dollars (\$40.00) multiplied by credited service as a
4 legislator or lieutenant governor, if all service as a
5 legislator or lieutenant governor is prior to January 1, 1960.

6 C. After December 31, 2003, under state legislator
7 member coverage plan 1, the annual amount of pension under form
8 of payment A is equal to:

9 (1) the amount in Subsection A of this section
10 if the member makes no additional contributions pursuant to
11 Subsection B of Section 10-11-42 NMSA 1978; or

12 (2) five hundred dollars (\$500) multiplied by
13 the years of credited service as a legislator or lieutenant
14 governor, if the state legislator member makes additional
15 contributions by December 31, 2003 pursuant to Subsection B of
16 Section 10-11-42 NMSA 1978. "

17 Section 6. Section 10-11-42 NMSA 1978 (being Laws 1987,
18 Chapter 253, Section 42) is amended to read:

19 "10-11-42. STATE LEGISLATOR MEMBER COVERAGE PLAN 1--
20 MEMBER CONTRIBUTION RATE. --

21 A. Prior to January 1, 2004, a member under state
22 legislator member coverage plan 1 shall contribute one hundred
23 dollars (\$100) for each year of credited service earned after
24 December 31, 1959.

25 B. To be eligible for the pension amount in

. 144047. 3

underscored material = new
[bracketed material] = delete

1 Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978, a
2 member under state legislator member coverage plan 1 must
3 contribute one hundred dollars (\$100) for each year of credited
4 service earned after December 31, 1959 and must make that
5 required contribution no later than December 31, 2003."

6 Section 7. A new section of the Public Employees
7 Retirement Act is enacted to read:

8 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--
9 APPLICABILITY.--State legislator member coverage plan 2 is
10 applicable to state legislators who receive no salary for their
11 legislative service and lieutenant governors who serve terms of
12 office that end after December 31, 2002. "

13 Section 8. A new section of the Public Employees
14 Retirement Act is enacted to read:

15 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--
16 AGE AND SERVICE REQUIREMENTS FOR NORMAL RETIREMENT.--Under
17 state legislator member coverage plan 2, the age and service
18 requirements for normal retirement are:

19 A. age sixty-five years or older and five or more
20 years of credited service; or

21 B. any age and twelve or more years of credited
22 service. "

23 Section 9. A new section of the Public Employees
24 Retirement Act is enacted to read:

25 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--

underscored material = new
[bracketed material] = delete

1 AMOUNT OF PENSION--FORM OF PAYMENT A.--Under state legislator
2 member coverage plan 2, the annual amount of pension under form
3 of payment A is equal in any calendar year to one percent of
4 the New Mexico supreme court justice salary in effect for the
5 fiscal year that ends in the calendar year in which the pension
6 is paid multiplied by credited service as a legislator or
7 lieutenant governor. "

8 Section 10. A new section of the Public Employees
9 Retirement Act is enacted to read:

10 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--
11 MEMBER CONTRIBUTION RATE.--A member under state legislator
12 member coverage plan 2 shall contribute an amount equal to five
13 hundred dollars (\$500) for each year of credited service less
14 the amount of any prior contributions made by the member for
15 that credited service. "

16 Section 11. A new section of the Public Employees
17 Retirement Act is enacted to read:

18 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--
19 STATE CONTRIBUTION RATE.--The state shall contribute amounts
20 sufficient to finance the membership of members under state
21 legislator member coverage plan 2 on an actuarial reserve
22 basis. "

23 Section 12. A new section of the Public Employees
24 Retirement Act is enacted to read:

25 "[NEW MATERIAL] STATE LEGISLATOR MEMBER COVERAGE PLAN 2--

underscored material = new
[bracketed material] = delete

1 CONTRIBUTIONS FOR SERVICE PRIOR TO 2003. --To be eligible for
2 state legislator member coverage plan 2, a state legislator or
3 lieutenant governor shall make the necessary contributions by
4 December 31, 2004 for years of credited service earned prior to
5 January 1, 2003, in an amount that totals five hundred dollars
6 (\$500) for each year of credited service. "

7 Section 13. [NEW MATERIAL] LEGISLATIVE RETIREMENT FUND. --
8 The "legislative retirement fund" is created in the state
9 treasury. The fund shall consist of money distributed,
10 transferred or otherwise accruing to the fund. Money in the
11 fund may be appropriated by the legislature to finance state
12 legislator member coverage plan 2 pursuant to the Public
13 Employees Retirement Act. Income from investment of the fund
14 shall accrue to the fund, and balances in the fund at the end
15 of any fiscal year shall not revert to the general fund.

16 Section 14. EFFECTIVE DATE--CONTINGENCY. --

17 A. Except as provided in Subsection B of this
18 section, the effective date of the provisions of this act is
19 July 1, 2003.

20 B. This act is contingent upon the enactment into
21 law of Senate Bill 621 or a substantially similar bill of the
22 first session of the forty-sixth legislature. If no such bill
23 is enacted into law, the provisions of this act shall not
24 become effective.